

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2011, and 2010

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are buyers and sellers in the principal market that are (i) independent, (ii) knowledgeable, (iii) able to transact, and (iv) willing to transact.

Authoritative guidance requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The income approach uses valuation to convert future amounts, such as cash flows or earnings, to a single present amount on a discounted basis. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement costs). Valuation techniques should be consistently applied. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

In that regard, authoritative guidance establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 Inputs - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 Inputs - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (for example, interest rates, volatilities, prepayment speeds, loss severities, credit risks and default rates) or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs - Significant unobservable inputs that reflect an entity's own assumptions that market participants would use in pricing the assets or liabilities.

A description of the valuation methodologies used for assets and liabilities measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

In general, fair value is based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. While management believes the Church's valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

St. Paul United Methodist Church  
Abilene, Texas

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Investments

Investments are reported at fair value utilizing Level 2 inputs. For these investments, the Church obtains fair value measurements from the Texas Methodist Foundation.

The following table summarizes financial assets measured at fair value on a recurring basis as of December 31, 2011, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

	<u>Level 1</u> <u>Inputs</u>	<u>Level 2</u> <u>Inputs</u>	<u>Level 3</u> <u>Inputs</u>	<u>Total Fair</u> <u>Value</u>
Cash	\$ 1,674	\$ -0-	\$ -0-	\$ 1,674
Investments held at Texas Methodist Foundation	<u>-0-</u>	<u>500,927</u>	<u>-0-</u>	<u>500,927</u>
Total	<u>\$ 1,674</u>	<u>\$ 500,927</u>	<u>\$ -0-</u>	<u>\$ 502,601</u>

NOTE 9 - Donor-Designated Funds:

In addition to the endowment funds, two other donors have established funds at the Texas Methodist Foundation for the benefit of the Church. As of December 31, these funds had the following balances:

Henry K. Bass Memorial Scholarship Fund	200,519	216,168
The Artesian Fund	72,666	76,200

NOTE 10 - Subsequent Events:

Subsequent events have been reviewed through June 20, 2012, which is the date the financial statements were issued.



St. Paul United Methodist Church  
Abilene, Texas

CONSOLIDATING STATEMENT OF ASSETS, LIABILITIES  
AND NET ASSETS - MODIFIED CASH BASIS

December 31, 2011

Schedule 1

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	<u>Operating</u>	<u>Special</u>	<u>St. Paul United Methodist Church Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 7,583	\$ 138,417	\$ 1,674	\$ -0-	\$ 147,674
Investments	-0-	-0-	500,927	-0-	500,927
Due from Other Funds	136	-0-	-0-	( 136 )	-0-
Property, plant and equipment	<u>4,683,408</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>4,683,408</u>
TOTAL ASSETS	<u>\$ 4,691,127</u>	<u>\$ 138,417</u>	<u>\$ 502,601</u>	<u>\$ ( 136 )</u>	<u>\$ 5,332,009</u>
<u>LIABILITIES AND NET ASSETS</u>					
<u>LIABILITIES:</u>					
Due to Other Funds	\$ -0-	\$ 136	\$ -0-	\$ ( 136 )	\$ -0-
Accounts Payable	2,181	-0-	-0-	-0-	2,181
Short-Term Note Payable	-0-	1,000	-0-	-0-	1,000
Total Liabilities	<u>\$ 2,181</u>	<u>\$ 1,136</u>	<u>\$ -0-</u>	<u>\$ ( 136 )</u>	<u>\$ 3,181</u>
<u>NET ASSETS:</u>					
Unrestricted	\$ 4,688,946	\$ -0-	\$ -0-	\$ -0-	\$ 4,688,946
Temporarily Restricted	-0-	137,281	233,726	-0-	371,007
Permanently Restricted	-0-	-0-	268,875	-0-	268,875
Total Net Assets	<u>\$ 4,688,946</u>	<u>\$ 137,281</u>	<u>\$ 502,601</u>	<u>\$ -0-</u>	<u>\$ 5,328,828</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,691,127</u>	<u>\$ 138,417</u>	<u>\$ 502,601</u>	<u>\$ -0-</u>	<u>\$ 5,332,009</u>

The accompanying notes are an integral part of these financial statements.

St. Paul United Methodist Church  
Abilene, Texas

CONSOLIDATING STATEMENT OF ASSETS, LIABILITIES  
AND NET ASSETS - MODIFIED CASH BASIS

December 31, 2010

Schedule 1

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	<u>Operating</u>	<u>Special</u>	<u>St. Paul United Methodist Church Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 6,726	\$ 190,569	\$ 2,090	\$ -0-	\$ 199,385
Investments	-0-	-0-	511,496	-0-	511,496
Due from Other Funds	340	-0-	-0-	( 340 )	-0-
Property, plant and equipment	<u>4,683,408</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>4,683,408</u>
TOTAL ASSETS	<u>\$ 4,690,474</u>	<u>\$ 190,569</u>	<u>\$ 513,586</u>	<u>\$ ( 340 )</u>	<u>\$ 5,394,289</u>
<u>LIABILITIES AND NET ASSETS</u>					
<u>LIABILITIES:</u>					
Due to Other Funds	\$ -0-	\$ 340	\$ -0-	\$ ( 340 )	\$ -0-
Accounts Payable	<u>596</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>596</u>
Total Liabilities	<u>\$ 596</u>	<u>\$ 340</u>	<u>\$ -0-</u>	<u>\$ ( 340 )</u>	<u>\$ 596</u>
<u>NET ASSETS:</u>					
Unrestricted	\$ 4,689,878	\$ -0-	\$ -0-	\$ -0-	\$ 4,689,878
Temporarily Restricted	-0-	190,229	244,711	-0-	434,940
Permanently Restricted	<u>-0-</u>	<u>-0-</u>	<u>268,875</u>	<u>-0-</u>	<u>268,875</u>
Total Net Assets	<u>\$ 4,689,878</u>	<u>\$ 190,229</u>	<u>\$ 513,586</u>	<u>\$ -0-</u>	<u>\$ 5,393,693</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,690,474</u>	<u>\$ 190,569</u>	<u>\$ 513,586</u>	<u>\$ -0-</u>	<u>\$ 5,394,289</u>

The accompanying notes are an integral part of these financial statements.

St. Paul United Methodist Church  
Abilene, Texas

CONSOLIDATING STATEMENT OF SUPPORT, REVENUE, EXPENSES  
AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS

December 31, 2011

Schedule 2

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	Operating	Special	St. Paul United Methodist Church Foundation	Eliminations	Total
<u>UNRESTRICTED NET ASSETS</u>					
<u>CONTRIBUTIONS AND REVENUES:</u>					
<u>Contributions:</u>					
Pledges, envelopes and free offerings	\$ 926,211	\$ -0-	\$ -0-	\$ -0-	\$ 926,211
Apportionments	26,056	-0-	-0-	-0-	26,056
Television Ministry	8,007	-0-	-0-	-0-	8,007
Total Contributions	<u>\$ 960,274</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 960,274</u>
<u>REVENUES:</u>					
Interest	\$ 11	\$ -0-	\$ -0-	\$ -0-	\$ 11
Unrealized gain on investments	-0-	-0-	-0-	-0-	-0-
Net Assets released from restrictions	91,581	452,997	-0-	-0-	544,578
Total Revenues	<u>\$ 91,592</u>	<u>\$ 452,997</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 544,589</u>
TOTAL CONTRIBUTIONS AND REVENUES	<u>\$ 1,051,866</u>	<u>\$ 452,997</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,504,863</u>
<u>LIABILITIES AND NET ASSETS</u>					
<u>EXPENSES:</u>					
<u>Program Services:</u>					
Shared Ministries	\$ 125,222	\$ -0-	\$ -0-	\$ -0-	\$ 125,222
Church Programs	81,609	-0-	-0-	-0-	81,609
Expenditures for designated purposes	-0-	452,997	-0-	-0-	452,997
Total Program Services	<u>\$ 206,831</u>	<u>\$ 452,997</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 659,826</u>
<u>Supporting Services:</u>					
Administrative	\$ 673,632	\$ -0-	\$ -0-	\$ -0-	\$ 673,632
Occupancy	172,335	-0-	-0-	-0-	172,335
Unrealized Loss on Investments	-0-	-0-	-0-	-0-	-0-
Total Supporting Services	<u>\$ 845,697</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 845,697</u>
Total Expenses	<u>\$ 1,052,798</u>	<u>\$ 452,997</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,505,795</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>\$ ( 932 )</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ ( 932 )</u>



St. Paul United Methodist Church  
Abilene, Texas

CONSOLIDATING STATEMENT OF SUPPORT, REVENUE, EXPENSES  
AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS (CONT.)  
December 31, 2011

Schedule 2  
Page 2

	<u>Operating</u>	<u>Special</u>	<u>St. Paul United Methodist Church Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<u>TEMPORARILY RESTRICTED NET ASSETS</u>					
<u>CONTRIBUTIONS AND REVENUES:</u>					
Contributions	\$ -0-	\$ 490,455	\$ 1,175	\$( 10,115 )	\$ 481,515
Total Contributions	<u>\$ -0-</u>	<u>\$ 490,455</u>	<u>\$ 1,175</u>	<u>\$( 10,115 )</u>	<u>\$ 481,515</u>
<u>REVENUES:</u>					
Interest	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Revenues	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
TOTAL CONTRIBUTIONS AND REVENUES	<u>\$ -0-</u>	<u>\$ 490,455</u>	<u>\$ 1,175</u>	<u>\$( 10,115 )</u>	<u>\$ 481,515</u>
<u>EXPENSES:</u>					
Unrealized Loss on Investments	\$ -0-	\$ -0-	\$ 870	\$ -0-	\$ 870
Net Assets released from Restrictions	-0-	543,403	11,290	( 10,115 )	544,578
Total Expenses	<u>\$ -0-</u>	<u>\$ 543,403</u>	<u>\$ 12,160</u>	<u>\$( 10,115 )</u>	<u>\$ 545,448</u>
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>\$ -0-</u>	<u>\$( 52,948 )</u>	<u>\$( 10,985 )</u>	<u>\$ -0-</u>	<u>\$( 63,933 )</u>
<u>PERMANENTLY RESTRICTED NET ASSETS</u>					
<u>CONTRIBUTIONS AND REVENUES:</u>					
Contributions	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Contributions	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
INCREASE IN PERMANENTLY RESTRICTED NET ASSETS	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
CHANGE IN NET ASSETS	\$( 932 )	\$( 52,948 )	\$( 10,985 )	\$ -0-	\$( 64,865 )
Net Assets at Beginning of Year	<u>4,689,878</u>	<u>190,229</u>	<u>513,586</u>	<u>-0-</u>	<u>5,393,693</u>
NET ASSETS AT END OF YEAR	<u>\$ 4,688,946</u>	<u>\$ 137,281</u>	<u>\$ 502,601</u>	<u>\$ -0-</u>	<u>\$ 5,328,828</u>

St. Paul United Methodist Church  
Abilene, Texas

CONSOLIDATING STATEMENT OF SUPPORT, REVENUE, EXPENSES  
AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS  
December 31, 2010

Schedule 2  
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	<u>Operating</u>	<u>Special</u>	<u>St. Paul United Methodist Church Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<u>UNRESTRICTED NET ASSETS</u>					
<u>CONTRIBUTIONS AND REVENUES:</u>					
<u>Contributions:</u>					
Pledges, envelopes and free offerings	\$ 935,481	\$ -0-	\$ -0-	\$ -0-	\$ 935,481
Apportionments	41,178	-0-	-0-	-0-	41,178
Television Ministry & Other	9,479	-0-	-0-	-0-	9,479
Total Contributions	<u>\$ 986,138</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 986,138</u>
<u>REVENUES:</u>					
Interest	\$ 46	\$ -0-	\$ -0-	\$ -0-	\$ 46
Unrealized gain on investments	-0-	-0-	-0-	-0-	-0-
Net Assets released from restrictions	49,444	229,928	-0-	-0-	279,372
Total Revenues	<u>\$ 49,490</u>	<u>\$ 229,928</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 279,418</u>
TOTAL CONTRIBUTIONS AND REVENUES	<u>\$ 1,035,628</u>	<u>\$ 229,928</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,265,556</u>
<u>EXPENSES:</u>					
<u>Program Services:</u>					
Shared Ministries	\$ 123,891	\$ -0-	\$ -0-	\$ -0-	\$ 123,891
Church Programs	85,775	-0-	-0-	-0-	85,775
Expenditures for designated purposes	-0-	229,928	-0-	-0-	229,928
Total Program Services	<u>\$ 209,666</u>	<u>\$ 229,928</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 439,594</u>
<u>Supporting Services:</u>					
Administrative	\$ 673,437	\$ -0-	\$ -0-	\$ -0-	\$ 673,437
Occupancy	152,141	-0-	-0-	-0-	152,141
Total Supporting Services	<u>\$ 825,578</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 825,578</u>
Total Expenses	<u>\$ 1,035,244</u>	<u>\$ 229,928</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,265,172</u>
INCREASE IN UNRESTRICTED NET ASSETS	<u>\$ 384</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 384</u>

St. Paul United Methodist Church  
Abilene, Texas

CONSOLIDATING STATEMENT OF SUPPORT, REVENUE, EXPENSES  
AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS (CONT.)  
December 31, 2010

Schedule 2  
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	Operating	Special	St. Paul United Methodist Church Foundation	Eliminations	Total
<u>TEMPORARILY RESTRICTED NET ASSETS</u>					
<u>CONTRIBUTIONS AND REVENUES:</u>					
Contributions	\$ -0-	\$ 298,050	\$ 1,175	\$ -0-	\$ 299,225
Total Contributions	<u>\$ -0-</u>	<u>\$ 298,050</u>	<u>\$ 1,175</u>	<u>\$ -0-</u>	<u>\$ 299,225</u>
<u>REVENUES:</u>					
Interest	\$ -0-	\$ -0-	\$ 14	\$ -0-	\$ 14
Unrealized Gain on Investments	\$ -0-	\$ -0-	26,926	\$ -0-	26,926
Total Revenues	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 26,940</u>	<u>\$ -0-</u>	<u>\$ 26,940</u>
TOTAL CONTRIBUTIONS AND REVENUES	<u>\$ -0-</u>	<u>\$ 298,050</u>	<u>\$ 28,115</u>	<u>\$ -0-</u>	<u>\$ 326,165</u>
<u>EXPENSES:</u>					
Net Assets released from Restrictions	\$ -0-	\$ 258,527	\$ 20,845	\$ -0-	\$ 279,372
Total Expenses	<u>\$ -0-</u>	<u>\$ 258,527</u>	<u>\$ 20,845</u>	<u>\$ -0-</u>	<u>\$ 279,372</u>
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	<u>\$ -0-</u>	<u>\$ 39,523</u>	<u>\$ 7,270</u>	<u>\$ -0-</u>	<u>\$ 46,793</u>
<u>PERMANENTLY RESTRICTED NET ASSETS</u>					
<u>CONTRIBUTIONS AND REVENUES:</u>					
Contributions	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
INCREASE IN PERMANENTLY RESTRICTED NET ASSETS	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
CHANGE IN NET ASSETS	\$ 384	\$ 39,523	\$ 7,270	\$ -0-	\$ 47,177
Net Assets at Beginning of Year	<u>4,689,494</u>	<u>150,706</u>	<u>506,316</u>	<u>-0-</u>	<u>5,346,516</u>
NET ASSETS AT END OF YEAR	<u>\$ 4,689,878</u>	<u>\$ 190,229</u>	<u>\$ 513,586</u>	<u>\$ -0-</u>	<u>\$ 5,393,693</u>



August 29, 2013

The Board of Trustees  
St. Paul United Methodist Church  
Abilene, Texas

**Independent Auditors' Report**

**Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of St. Paul United Methodist Church (a non-profit organization), which comprise the statement of financial position – modified cash basis as of December 31, 2012, and the related consolidated statement of activities and cash flows – modified cash basis for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the St. Paul United Methodist Church as of December 31, 2012, and the results of its operations and its cash flows for the year then ended, on the basis of accounting described in Note 1.

**Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the *modified cash basis of accounting*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*Cordley and Company, L.L.P.*  
Certified Public Accountants

ST. PAUL UNITED METHODIST CHURCH  
Abilene, Texas

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - MODIFIED CASH BASIS

December 31, 2012

ASSETS

Cash and cash equivalents	\$ 97,099
Property, plant, and equipment	4,683,408
Investments	<u>527,954</u>
TOTAL ASSETS	<u>\$ 5,308,461</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accrued liabilities	\$ <u>9,048</u>
Total Liabilities	<u>9,048</u>
Net Assets:	
Unrestricted	4,677,749
Temporarily restricted	352,789
Permanently restricted	<u>268,875</u>
Net Assets	<u>5,299,413</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,308,461</u>

The accompanying notes are an integral part of the consolidated financial statements.



ST. PAUL UNITED METHODIST CHURCH  
Abilene, Texas

CONSOLIDATED STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2012</u>
CONTRIBUTIONS AND REVENUES:				
Contributions:				
Contributions	\$ 953,675	\$ 313,150	\$	\$ 1,266,825
Apportionments	33,994			33,994
Television ministry	8,605			8,605
Total Contributions	<u>996,274</u>	<u>313,150</u>	<u>0</u>	<u>1,309,424</u>
Revenues:				
Interest	9	1,769		1,778
Other income	720			720
Unrealized gain on investments		33,184		33,184
Total Revenues	<u>729</u>	<u>34,953</u>	<u>0</u>	<u>35,682</u>
Net assets released from restrictions	<u>366,321</u>	<u>(366,321)</u>	<u>0</u>	<u>0</u>
Total Contributions and Revenues	<u>1,363,324</u>	<u>(18,218)</u>	<u>0</u>	<u>1,345,106</u>
EXPENSES:				
Program Services:				
Shared ministries	70,079			70,079
Expenditures for designated purposes	341,066			341,066
Church programs	75,158			75,158
Total Program Services	<u>486,303</u>	<u>0</u>	<u>0</u>	<u>486,303</u>
Supporting Services:				
Administrative	712,578			712,578
Occupancy	175,640			175,640
Total Supporting Services	<u>888,218</u>	<u>0</u>	<u>0</u>	<u>888,218</u>
Total Expenses	<u>1,374,521</u>	<u>0</u>	<u>0</u>	<u>1,374,521</u>
CHANGE IN NET ASSETS	<u>(11,197)</u>	<u>(18,218)</u>	<u>0</u>	<u>(29,415)</u>
NET ASSETS AT BEGINNING OF YEAR	<u>4,688,946</u>	<u>371,007</u>	<u>268,875</u>	<u>5,328,828</u>
NET ASSETS, END OF YEAR	<u>\$ 4,677,749</u>	<u>\$ 352,789</u>	<u>\$ 268,875</u>	<u>\$ 5,299,413</u>

The accompanying notes are an integral part of the consolidated financial statements.

ST. PAUL UNITED METHODIST CHURCH  
Abilene, Texas

CONSOLIDATED STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

For the Year Ended December 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ (29,415)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Net realized/unrealized gains on investments	(33,184)
Reinvested income	(1,769)
Increase/(Decrease) in:	
Accounts payable	6,867
Net Cash Used by Operating Activities	<u>(57,501)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investments	(600)
Sale of investments	10,200
Net Cash Provided by Investing Activities	<u>9,600</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payment on line-of-credit	<u>(1,000)</u>
Net Cash Used by Investing Activities	<u>(1,000)</u>
Net Decrease in Cash and Cash Equivalents	(48,901)
Cash and Cash Equivalents at Beginning of Year	<u>146,000</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 97,099</u></u>

*The accompanying notes are an integral part of the consolidated financial statements.*

**ST. PAUL UNITED METHODIST CHURCH**  
**Abilene, Texas**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

St. Paul United Methodist Church ("the Church") is congregation organized in 1909 that engages adults in worship, mission, and study. The Church is incorporated as a non-profit corporation under the laws of the State of Texas and is exempt from federal income tax under section 501(c)(3). St. Paul United Methodist Church Foundation, Inc. is a related entity organized to serve any purpose or purposes of the Church as may be authorized by the Board of Trustees of the church.

The accounting and reporting policies of the Church which materially affect the determination of financial position are summarized as follows:

Principles of Consolidation

The consolidated financial statements include the accounts of St. Paul United Methodist Church and St. Paul United Methodist Church Foundation, Inc. All significant inter-company transactions and balances have been eliminated in consolidation.

Method of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is comprehensive basis of accounting other than generally accepted accounting principles. Under this basis, certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when obligations are incurred. Furthermore, the only assets recognized are cash, cash equivalents, investments, and property, plant and equipment. No liabilities are recognized except for accounts payable and debt. Noncash transactions are not recognized. Consequently, accounts receivable, pledges receivable, or accrued liabilities, nor their related effects on the change in net assets are reflected in the accompanying financial statements.

Financial Statement Presentation

The Church has adopted Accounting Standards Codification (ASC) 958-60, *Not-for-Profit Entities: Revenue Recognition*. ASC 958-605 requires the Church to record contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the nature of any restrictions made by the donor. Contributions include gifts of cash and promises to give.

Contributions and related gains and investment income received with donor-imposed restrictions that are met in the same year as received are reported as revenues of unrestricted net assets. In addition, the Church is required to present a statement of cash flows.

Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions as to their use.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions that may or shall be met, either by actions of the Church and/or by the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.



Permanently restricted – Resources that include a donor imposed restriction that stipulates that resources be maintained permanently, but permits the Church to use or expend part or all of the income (or other economic benefit) derived from the donated assets.

ASC 958, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). ASC 958 also improves disclosures about an organization's endowment funds (both donor restricted endowment funds and board designated endowment funds) whether or not the organization is subject to UPMIFA. The State of Texas Adopted UPMIFA September 1, 2007.

The Church is governed subject to the governing documents of the Church and the majority of contributions are received subject to the terms of the governing document. Certain contributions are received subject to other gift instruments, or are subject to specific agreements with the Church.

Under the terms of the governing documents, the Board of Trustees has the ability to distribute so much of the corpus of any trust or separate gift, devise, bequest, or fund as the Board in its sole discretion shall determine. In accordance with UPMIFA, the Church considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund,
2. The purposes of the Church and the donor-restricted endowment fund,
3. General economic conditions,
4. The possible effect of inflation and deflation,
5. The expected total return from income and appreciation of the investments,
6. Other resources of the Church, and
7. The investment policies of the Church.

As a result of the ability to distribute corpus, the Board of Trustees has determined that all contributions received subject to the governing document, and subject to UPMIFA, are classified as temporarily restricted until the restriction imposed has been relieved. Contributions that are subject to other gift instruments may be recorded as permanently restricted, temporarily restricted or unrestricted, depending on the specific terms of the agreement. Generally, if the corpus of a contribution will at some future time become available for spending it is recorded as temporarily restricted, if the corpus never becomes available for spending it will be reported as permanently restricted. In addition, contributions that are promised to be given in a future period are presented as temporarily restricted until the payments are due.

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Church considers any short-term investment convertible to cash within three months or less with little or no change in the principal amount to be a cash equivalent.

#### Property and Equipment

Land, building, and furniture owned at June 1, 1956 were recorded on the books at their estimated value at that date. All property and equipment purchased since that date have been recorded at cost. In the modified cash basis of accounting, depreciation of fixed assets is not recorded.

#### Tax Exempt Status

The Church has been granted tax exempt status by the Internal Revenue Service under Code Section 501(c)(3). Accordingly, there is no provision for Federal income tax or tax related items.

Management evaluated the Church's tax positions and concluded that the Church had taken no uncertain tax positions that require adjustment to financial statements and therefore no adjustments have been included in the financial statements for 2012. With few exceptions, the Church is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2009.

#### Recent Accounting Pronouncements

##### *ASU 2011-04*

In May, 2011, the FASB issued updated accounting guidance related to fair value measurements and disclosures that result in common fair value measurements and disclosures between U.S. GAAP and International Financial Reporting Standards. The guidance includes amendments that clarify the application of existing fair value measurement requirements, in addition to other amendments that change principles or requirements for measuring fair value and for disclosing information about fair value measurements. This guidance is effective for annual periods beginning after December 15, 2011. The guidance was adopted for the year ended December 31, 2012 and will primarily impact the Church's disclosures, but otherwise is not expected to have a material impact on the Church's financial statements.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force) and the American Institute of Certified Public Accountants did not or are not believed by management to have a material impact on the Church's present or future financial statements.

#### Subsequent Events

The Church has evaluated subsequent events through August 29, 2013, the date the financial statements were available to be issued.

#### Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **NOTE 2: ST. PAUL UNITED METHODIST CHURCH FOUNDATION, INC.**

St. Paul United Methodist Church Foundation, Inc. (the "Foundation") is organized to serve any purpose or purposes of St. Paul United Methodist Church of Abilene, Texas as may be authorized by the Board of Trustees of the Church. The Foundation has a separate Board of Trustees which consists of three permanent members and six members appointed by the Church at its annual Business Conference. The Board has responsibility over the custody of the funds, investing the cash, and exercising power over funds accepted by the Foundation for the benefit of St. Paul United Methodist Church of Abilene. The Foundation currently has the following restricted accounts established:

		<u>2012</u>
<u>Temporarily Restricted Net Assets</u>		
Bedford Furr Memorial Income	\$	23,206
Jayne Carnes Memorial Income		2,899
Samuel J. Carroll Memorial Income		382



Raymond Thomason Memorial Income	91,244
Roger Valkenaar Memorial Income	27,726
O.P. Clark Memorial Income	21,323
Pauline Norwood Memorial Income	4,176
Charles E. Erwin Honorary Income	1,622
Foundation General Fund	63,425
Gypsy Wylie Memorial Income	5,225
Pauline Caffey Memorial Income	3,542
James Young Memorial Income	14,309
Total Temporarily Restricted Net Assets	<u>259,079</u>
<u>Permanently Restricted Net Assets</u>	
Jayne Carnes Memorial Income	10,000
Samuel J. Carroll Memorial Income	1,000
Roger Valkenaar Memorial Income	35,490
O.P. Clark Memorial Income	24,986
Pauline Norwood Memorial Income	10,000
Foundation General Fund	162,399
James Young Memorial Income	25,000
Total Permanently Restricted Net Assets	<u>268,875</u>
Total Restricted Net Assets of St. Paul United Methodist Church Foundation	<u>\$ 527,954</u>

### NOTE 3: INVESTMENTS

The securities held by the Church in its name consist of the following investment groups at December 31, 2012:

	Cost	Market Value	Cumulative Unrealized	
			Gain	Loss
Cash held for investments	\$ 1,674	\$ 1,674	\$ 0	\$ 0
Loan fund	141,623	213,655	72,032	
Fixed income	165,115	173,465	8,350	
Equity fund	120,739	139,160	18,421	
Total	<u>\$ 429,151</u>	<u>\$ 527,954</u>	<u>\$ 98,803</u>	<u>\$ 0</u>

The following table shows the gross unrealized losses and fair value of the Church's investments with unrealized losses, aggregated by investment category and length of time that individual securities have been in a continuous realized loss position, at December 31, 2012:

	Less than 12 months		12 months or longer	
	Market Value	Unrealized Loss	Market Value	Unrealized Loss
Fixed income	\$ 91,244	\$ (8,755)	\$	\$
Equity fund	6,846	(33,045)		
Total temporarily impaired securities	<u>\$ 98,090</u>	<u>\$ (41,800)</u>	<u>\$ 0</u>	<u>\$ 0</u>

Management believes the unrealized losses are temporary and are caused by general market fluctuations. Management has the intent and ability to hold the investments until recovery of market value.



Investment income is comprised of the following for the year ended December 31:

	<u>2012</u>
Interest income	\$ 1,778
Unrealized gain on investments	<u>33,184</u>
<b>TOTAL</b>	<b>\$ <u>34,962</u></b>

**NOTE 4: PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2012 consisted of the following:

	<u>2012</u>
Building and land	\$ 4,021,898
Furniture and equipment	497,512
Parsonage and furnishings	82,605
Automotive equipment	<u>81,393</u>
<b>Total property and equipment</b>	<b>\$ <u>4,683,408</u></b>

**NOTE 5: EMPLOYEE PENSION PLAN**

A pension plan for lay employees was established with the Board of Pension and Health Benefits ("BPHB") of the United Methodist Church. The plan, effective October 1, 1998, requires that each participating employee contribute 2% of their compensation base. The Church matches the employee contributions and contributes another 2%. The Church contributed \$13,415 to the plan in 2012. The plan covers all full-time employees with two years of service.

The Church also participates in retirement plans for the ministers through the BPHB. The plan requires contributions set by the BPHB based on annual salary, and totaled \$25,260 for 2012.

**NOTE 6: ENDOWMENT**

The Church endowment fund was established for a variety of purposes. Its endowment is donor-restricted. As required by generally accepted accounting principles, net assets associated with endowment funds are reported based on the existence or absence of donor-imposed restrictions. The investments are held at the Texas Methodist Foundation and are invested in church loans, equity funds, and income funds.

Total endowments consist of the following at December 31, 2012:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Donor-restricted funds	\$ 0	\$ 259,079	\$ 268,875
<b>Total Net Assets</b>	<b>\$ 0</b>	<b>\$ 259,079</b>	<b>\$ 268,875</b>

Changes in endowment net assets consist of the following at December 31, 2012:

	Temporarily Restricted	Permanently Restricted
Endowment net assets, beginning of year	\$ 233,726	\$ 268,875
Interest and dividends, net of investment expense	1,769	0
Net realized/unrealized gains	33,184	0
Contributions	600	0
Amounts appropriated for expenditure	(10,200)	0
Endowment net assets, end of year	\$ 259,079	\$ 268,875

#### NOTE 7: RESTRICTED NET ASSETS

The temporarily restricted net assets of the Church consist of funds designated by the donor for specific use in the various programs of the Church in accordance with the Church's operating purposes. Such funds remain temporarily restricted until they have been expended for the purpose designated by the donor. At December 31, 2012, the church had \$352,789 of these temporarily restricted funds remaining. These amounts are included in cash and investments, and in temporarily restricted net assets.

Temporarily restricted net assets consist of the following at December 31, 2012:

Bedford Furr Memorial Income - Budget	\$ 23,206
Jayne Carnes Memorial Income - Help Fund/Communion	2,899
Samuel J. Carroll Memorial Income- Boy Scout Troop	382
Raymond Thomason Memorial Income - Special	91,244
Roger Valkenaar Memorial Income - Special	27,726
O.P. Clark Memorial Income - Lectures	21,323
Pauline Norwood Memorial Income - Television Ministry	4,176
Charles E. Erwin Honorary Income - Special	1,622
James Young Memorial Income - Special	14,309
Gypsy Wylie Memorial - Special	5,225
Pauline Caffey Memorial - Music	3,542
General Endowment Fund	63,425
CCER Grant	1,254
Children's Special	7,200
Youth Special	1,098
Choir and Handbell Choir Funds	1,815
Memorials	1,056
Music Ministry	2,233
Sunday School Class Funds	18,379
Building and Capital	2,915
Given for Next Year	24,320
Other Funds	33,440
Total temporarily restricted net assets	\$ 352,789

Permanently restricted net assets consist of donations to permanently endowed funds. The income earned on the assets is temporarily restricted for a specific purpose or time constraint while the corpus of the gifts is to remain intact in perpetuity. At December 31, 2012, the Church had \$268,875 of permanently restricted funds remaining.

Permanently restricted net assets consist of the following at December 31, 2012:

Jayne Carnes Memorial Income	\$	10,000
Samuel J. Carroll Memorial Income		1,000
Roger Valkenaar Memorial Income		35,490
O.P. Clark Memorial Income		24,986
Pauline Norwood Memorial Income		10,000
Foundation General Fund		162,399
James Young Memorial Income		25,000
		<hr/>
Total permanently restricted net assets	\$	<u>268,875</u>

**NOTE 8: FAIR VALUE MEASUREMENTS**

The Church has adopted ASC 820, *Fair Value Measurements*, which provides a framework for measuring fair value under generally accepted accounting principles. ASC 820 applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in ASC 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Church uses various methods including market, income, and cost approaches. Based on these approaches, the Church often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Church utilized valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques the Church is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

*Level 1* – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

*Level 2* – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

*Level 3* – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs to the limited market activity of the instrument.

For fiscal year ended December 31, 2012, the application of valuation techniques applied to similar assets has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value.



*Funds held at Texas Methodist Foundation:* values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities.

*Cash held for investments and certificates of deposit:* cash is valued at its denomination amount and certificates of deposit are valued at their current principal balance which approximates fair value.

The table below presents the balances of assets measured at fair value on a recurring basis as of December 31, 2012:

Description	12/31/2012	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash held for investments	\$ 1,674	\$ 1,674	\$ 0	\$ 0
Loan fund	213,655		213,655	
Fixed income	173,465		173,465	
Equity fund	139,160		139,160	
Total	\$ 527,954	\$ 1,674	\$ 526,280	\$ 0

**NOTE 9: CONCENTRATION OF RISK**

The Church maintains cash balances at financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 for interest bearing accounts and to an unlimited amount for transaction accounts. At various times during the year, the Church may have balances in excess of insured limits.

**NOTE 10: DONOR-DESIGNATED FUNDS**

In addition to the endowment funds, two other donors have established funds at the Texas Methodist Foundation for the benefit of the Church not held by the St. Paul United Methodist Church Foundation. As of December 31, 2012, these funds had the following balances:

Henry K. Bass Memorial Scholarship Fund	\$ 200,519
The Artesian Fund	<u>72,656</u>
Total donor-designated funds	\$ <u>273,175</u>

**SUPPLEMENTARY INFORMATION**



Certified Public Accountants and Business Advisors

993 North Third Street  
PO Box 2993  
Abilene, Texas 79604-2993  
phone 325-677-6251  
fax 325-677-0006  
www.condley.com

August 29, 2013

The Board of Trustees  
St. Paul United Methodist Church  
Abilene, Texas

**Independent Auditors' Report on Supplementary Information**

We have audited the consolidated financial statements of the St. Paul United Methodist Church as of and for the year ended December 31, 2012, and have issued our report thereon, dated August 29, 2013, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole.

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Condley and Company, L.L.P.*  
Certified Public Accountants



**ST. PAUL UNITED METHODIST CHURCH**  
Abilene, Texas

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - MODIFIED CASH BASIS

December 31, 2012

	St. Paul United Methodist Church	St. Paul United Methodist Church Foundation	Eliminations	Consolidated San Angelo Area Foundation
<u>ASSETS</u>				
Cash and cash equivalents	\$ 97,099	\$	\$	\$ 97,099
Due from other funds	136		(136)	0
Property, plant, and equipment	4,683,408			4,683,408
Investments		527,954		527,954
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 4,780,643	\$ 527,954	\$ (136)	\$ 5,308,461
	<hr/>	<hr/>	<hr/>	<hr/>
<u>LIABILITIES AND NET ASSETS</u>				
Liabilities:				
Accrued Liabilities	\$ 9,048	\$	\$	\$ 9,048
Due to other funds	136		(136)	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	9,184	0	(136)	9,048
	<hr/>	<hr/>	<hr/>	<hr/>
Net Assets:				
Unrestricted	4,677,749			4,677,749
Temporarily restricted	93,710	259,079		352,789
Permanently Restricted		268,875		268,875
	<hr/>	<hr/>	<hr/>	<hr/>
Net Assets	4,771,459	527,954	0	5,299,413
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	\$ 4,780,643	\$ 527,954	\$ (136)	\$ 5,308,461
	<hr/>	<hr/>	<hr/>	<hr/>

ST. PAUL UNITED METHODIST CHURCH  
Abilene, Texas

CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2012

	St. Paul United Methodist Church Unrestricted	Temporarily Restricted	
		St. Paul United Methodist Church	St. Paul United Methodist Church Foundation
CONTRIBUTIONS AND REVENUES:			
Contributions:			
Contributions	\$ 953,675	\$ 322,750	\$ 600
Apportionments	33,994		
Television Ministry	8,605		
Total Contributions	<u>996,274</u>	<u>322,750</u>	<u>600</u>
Revenues:			
Interest	9		1,769
Other income	720		
Unrealized gain on investments			33,184
Total Revenues	<u>729</u>	<u>0</u>	<u>34,953</u>
Net assets released from restrictions	<u>366,321</u>	<u>(366,321)</u>	<u>(10,200)</u>
Total Contributions and Revenues	<u>1,363,324</u>	<u>(43,571)</u>	<u>25,353</u>
EXPENSES:			
Program Services:			
Shared ministries	70,079		
Expenditures for designated purposes	341,066		
Church programs	75,158		
Total Program Services	<u>486,303</u>	<u>0</u>	<u>0</u>
Supporting Services:			
Administrative	712,578		
Occupancy	175,640		
Total Supporting Services	<u>888,218</u>	<u>0</u>	<u>0</u>
Total Expenses	<u>1,374,521</u>	<u>0</u>	<u>0</u>
CHANGE IN NET ASSETS	<u>(11,197)</u>	<u>(43,571)</u>	<u>25,353</u>
NET ASSETS AT BEGINNING OF YEAR	<u>4,688,946</u>	<u>137,281</u>	<u>233,726</u>
NET ASSETS, END OF YEAR	<u>\$ 4,677,749</u>	<u>\$ 93,710</u>	<u>\$ 259,079</u>